



# EARNINGS RELEASE

## 1Q 2021

### Attractive Margins and Return on Invested Capital with signs of global economic activity improvement

#### Highlights



**Net Operating Revenue (NOR)** was **R\$ 5,076.9 million** in 1Q21, 36.7% higher than 1Q20 and 3.8% higher than 4Q20;



**EBITDA<sup>(1)</sup>** reached **R\$ 1,016.9 million**, 64.2% higher than 1Q20 and 3.7% higher than 4Q20, while **EBITDA margin** was **20.0%**, 3.3 p.p. higher than 1Q20 and 0.1 p.p. lower than the previous quarter;



**Return on Invested Capital (ROIC)** reached **28.2%** in 1Q21, up 7.5 p.p. from 1Q20 and up 2.7 p.p. from 4Q20.

#### Message from the Management

This quarter we continued to deliver good performance seen in previous quarters in most of our business areas.

The performance in the domestic market was positive, sustaining high levels of revenues in short-cycle equipment, such as in Industrial Electro-Electronic Equipment and Commercial and Appliance Motors areas, motivated by the continued recovery of the economic activity started in the second half of last year. Likewise, long-cycle equipment has also had an important contribution, with significant deliveries made, as a result of contracts obtained in previous quarters, with emphasis on the areas of transmission and distribution (T&D) and industrial automation.

We continue to see an improvement in demand in the external market, mainly for short-cycle products, showing signs of a broader recovery in the global economy. This movement is reflected in the growth of our business in local currencies when compared to the same period last year. We had important performances in some regions, such as Industrial Electro-Electronic Equipment in China and Commercial and Appliance Motors in the Americas.

Revenue growth, improved operating margins, gains in scale, and efficiency in capital allocation are among the main factors that justify the growth of the company's financial indicators.

We were capable of making the necessary operational adjustments thanks to our modular production model, along with the health and safety protocols adopted since the first signs of COVID-19. These were decisive factors in managing the effects caused by the pandemic so far. This March marked a year of this unique moment in our history, however, we remain confident in our strategy to overcome the challenges presented, aware that this crisis is yet to be overcome.

Table 1 – Main Highlights

	1Q21	4Q20	%	1Q20	%
<b>Return on Invested Capital</b>	<b>28.2%</b>	<b>25.5%</b>	<b>2.7 pp</b>	<b>20.7%</b>	<b>7.5 pp</b>
<b>Net Operating Revenue</b>	<b>5,076,879</b>	<b>4,889,918</b>	<b>3.8%</b>	<b>3,714,436</b>	<b>36.7%</b>
Domestic Market	2,343,108	2,247,916	4.2%	1,692,400	38.4%
External Markets	2,733,771	2,642,002	3.5%	2,022,036	35.2%
<i>External Markets in US\$</i>	<i>498,120</i>	<i>490,086</i>	<i>1.6%</i>	<i>451,759</i>	<i>10.3%</i>
<b>Net Income</b>	<b>764,258</b>	<b>742,229</b>	<b>3.0%</b>	<b>440,023</b>	<b>73.7%</b>
Net Margin	15.1%	15.2%	-0.1 pp	11.8%	3.3 pp
<b>EBITDA</b>	<b>1,016,852</b>	<b>981,015</b>	<b>3.7%</b>	<b>619,114</b>	<b>64.2%</b>
EBITDA Margin	20.0%	20.1%	-0.1 pp	16.7%	3.3 pp
Earnings per Share (EPS)	0.36429	0.35383	3.0%	0.20977	73.7%

(1) Earnings before Interest, Taxes, Depreciation and Amortization

The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reals (R\$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the same period of the previous year.

## Net Operating Revenue

Net operating revenue increased by 36.7% over 1Q20, up 38.4% in the domestic market and 35.2% in the external markets as shown in table 1. The evolution of revenue proportion between markets is shown in figure 1.

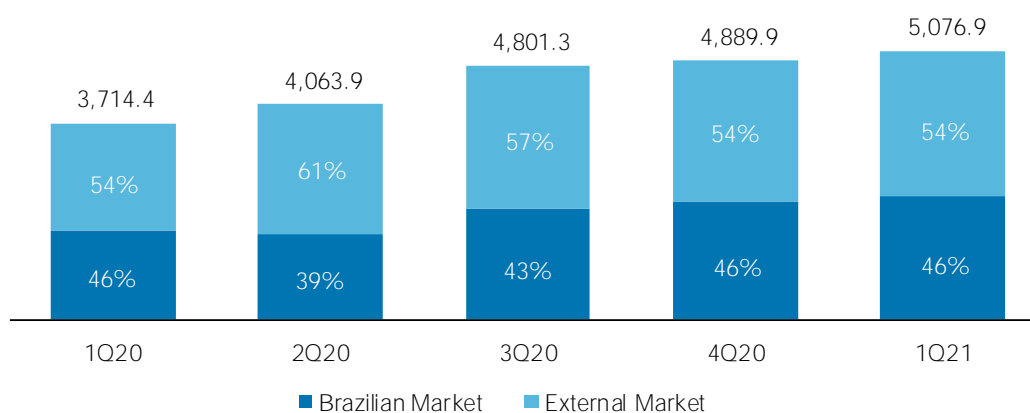


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 10.3% in relation to 1Q20 and increased by 1.6% in relation to 4Q20. The distribution of net revenue by geographic market is shown in table 2.

Table 2 – Net operating revenue from external market by geographic region, in US dollars

	1Q21		4Q20		1Q20		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	498,120	100.0%	490,086	100.0%	451,759	100.0%	1.6%	10.3%
<i>North America</i>	213,758	42.9%	215,277	43.9%	215,037	47.6%	-0.7%	-0.6%
<i>South and Central America</i>	58,354	11.7%	57,417	11.7%	38,400	8.5%	1.6%	52.0%
<i>Europe</i>	133,645	26.8%	122,190	24.9%	131,462	29.1%	9.4%	1.7%
<i>Africa</i>	32,102	6.4%	42,963	8.8%	27,106	6.0%	-25.3%	18.4%
<i>Asia-Pacific</i>	60,261	12.1%	52,239	10.7%	39,754	8.8%	15.4%	51.6%

Net operating revenue from the external market, measured in Brazilian Real, was positively impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 4.48 in 1Q20 to R\$ 5.49 in 1Q21, with 22.6% depreciation of the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from external market increased by 8.1% in relation to 1Q20.

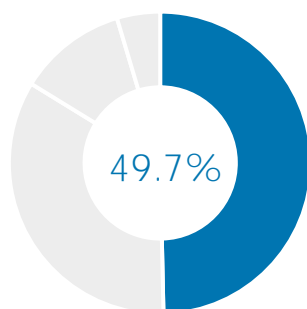
### Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of recent acquisitions of MVISIA, BirminD and consolidation of TGM Kanis Turbinen GmbH, revenue would have grown by 36.2% vs. 1Q20.

## Performance by Business Area

### Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
1Q21	900,493	1,620,332
4Q20	912,650	1,641,303
Δ%	-1.3%	-1.3%
1Q20	600,641	1,308,235
Δ%	49.9%	23.9%



Share in NOR

#### Domestic Market

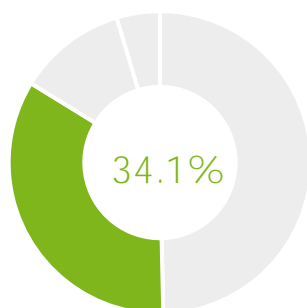
- We observed a good demand for short-cycle products. Segments such as mining and infrastructure were the main destinations for these products, with an emphasis on electric motors for driving pumps and serial automation equipment, where we have been gaining market share in recent quarters.
- Important supplies of long-cycle equipment, such as e-houses and automation panels, were also made in this first quarter for mining and oil & gas segments.

#### External Market

- Continued gradual recovery of industrial activity in the main regions of the world for short-cycle equipment, but some regions not yet recovering to pre-pandemic business volume. It is worth highlighting that our operations in China were significantly impacted by the pandemic in 1Q20. This fact, associated with the strong recovery of the Chinese economy in the last twelve months, helps to explain the revenue growth in the region.
- Despite the volatility in demand for long-cycle equipment presented in recent quarters, we observed an increase in the volume of quotations at the beginning of this year and, at the end of the quarter, an improvement in order bookings. These are typical recovery signs in industrial activity, which are already being seen in important segments such as mining, oil & gas, water & wastewater, and pulp & paper.

### Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
1Q21	974,275	757,391
4Q20	872,027	732,372
Δ%	11.7%	3.4%
1Q20	784,278	530,151
Δ%	24.2%	42.9%



Share in NOR

#### Domestic Market

- As a recurring highlight in recent quarters, the transmission and distribution (T&D) business continue to be the main driver for much of the reported growth, with large transformers and substations being delivered for projects linked to the transmission line auctions carried out in recent years.
- The distributed solar generation (GD) business also showed good demand, contributing positively to the good performance of this business area, however at a slower pace than presented in recent quarters.

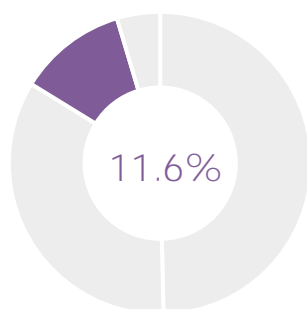
#### External Market

- We presented another quarter of strong results, especially in T&D in North America, with the important contribution of the synergy between our operations in the USA and Mexico.
- In the generation business, we highlight the good performance in our operation in India, despite the difficulties faced due to the pandemic in the country.

## Performance by Business Area

### Commercial and Appliance Motors

NOR	Domestic Market	External Market
1Q21	280,829	309,084
4Q20	272,769	220,060
Δ%	3.0%	40.5%
1Q20	170,592	159,515
Δ%	64.6%	93.8%



Share in NOR

#### Domestic Market

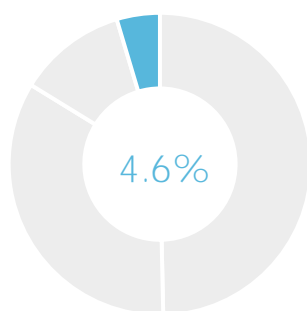
- Sales volume remains high in Brazil. Durable goods segments, such as air conditioners and washing machines, pumps, and machinery for the food sector were the main destinations for our products.
- As occurred during the second half of 2020, the high demand movement, partly supported by the restocking of our customers, is still present in this market.

#### External Market

- Commercial motors and white goods applications demonstrated important growth, a movement explained by an increase in our market share in countries where we concentrate our operations.

### Paints and Varnishes

NOR	Domestic Market	External Market
1Q21	187,511	46,964
4Q20	190,470	48,267
Δ%	-1.6%	-2.7%
1Q20	136,889	24,135
Δ%	37.0%	94.6%



Share in NOR

#### Domestic Market

- As well as the short-cycle equipment business, this business area also kept on track, with robust demand in the main segments such as home appliances, metal structures, and sanitation.

#### External Market

- We recorded sales growth in Latin American countries, especially in Mexico, where we started operations at our new paint factory at the end of 2020.

## Cost of Goods Sold

Cost of Goods Sold (COGS) and gross margin for the quarter are shown in table 3.

Table 3 – Costs

	1Q21	4Q20	HA%	1Q20	HA%
Net Operating Revenues	5,076,879	4,889,918	3.8%	3,714,436	36.7%
Cost of Goods Sold	(3,457,140)	(3,293,619)	5.0%	(2,616,903)	32.1%
Gross Margin	31.9%	32.6%	-0.7 pp	29.5%	2.4 pp

With an operating activity close to normal in most of our operations in Brazil and important factories abroad approaching ideal levels of capacity utilization, we were able to improve gross margin in comparison with the previous year. Operational adjustments implemented since the beginning of the pandemic, efforts to reduce costs and improve processes that led to productivity gains, especially in our operations abroad, were decisive factors for this performance, despite the exchange rate variation in the period and the increases in the main raw materials used in our products.

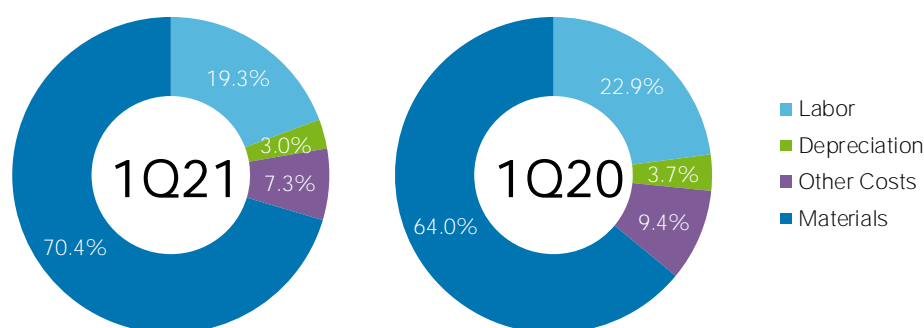


Figure 2 – COGS Composition

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 609.2 million in 1Q21, an increase of 20.7% vs. 1Q20 and an increase of 3.4% vs. 4Q20. When analyzed in relation to net operating revenue, these expenses accounted for 12.0%, down 1.6 p.p. vs. 1Q20 and down 0.1 p.p. vs. 4Q20.

It is worth mentioning that adjustments made since the beginning of the pandemic continue to contribute to the control of expenses, although in less intensity when compared to previous quarters, mainly due to the reduction in expenses with business trips.

## EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in table 4. The EBITDA margin presented another quarter of evolution when compared to the same period of the previous year, reflecting the rationalization of costs and expenses, described above, better occupation of the factories, together with the improvement in the margin of some important operations abroad.

Table 4 – Calculation of EBITDA and EBITDA Margin

	1Q21	4Q20	HA%	1Q20	HA%
Net Operating Revenues	5,076,879	4,889,918	3.8%	3,714,436	36.7%
Net Income	764,258	742,229	3.0%	440,023	73.7%
Net Income Before Minorities	778,921	761,853	2.2%	453,975	71.6%
(+) Income Taxes & Contributions	124,796	107,806	15.8%	64,210	94.4%
(+/-) Financial Income (Expenses)	(10,535)	(9,220)	14.3%	752	n.a.
(+) Depreciation & Amortization	123,670	120,577	2.6%	100,176	23.5%
<b>EBITDA</b>	<b>1,016,852</b>	<b>981,016</b>	<b>3.7%</b>	<b>619,114</b>	<b>64.2%</b>
<b>EBITDA Margin</b>	<b>20.0%</b>	<b>20.1%</b>	<b>-0.1 pp</b>	<b>16.7%</b>	<b>3.3 pp</b>

## Net Income

Net Income in 1Q21 was R\$ 764.3 million, an increase of 73.7% vs. 1Q20 and increase of 3.0% vs. 4Q20. Net margin reached 15.1%, 3.3 p.p. higher than 1Q20 and 0.1 p.p. lower than 4Q20.

## Cash Flow

Cash generation in operating activities was R\$ 404.5 million in the first three months of 2021, a decrease of 23.1% compared to the previous year. This result is mainly driven by the increased demand for working capital in the period.

The level of investment (CAPEX<sup>(2)</sup>) in modernization and expansion of production capacity showed a slight increase compared to 2020, with continued investments in factories in Brazil, China, Mexico and US.

In financing activities, the company raised R\$ 7.3 million and made amortizations of R\$ 114.2 million, resulting in a net amortization of R\$ 106.9 million. Interest on loans consumed R\$ 14.3 million while payments to equity holders (dividends and interest on capital) totaled R\$ 859.0 million. The final result was consumption of R\$ 976.4 million in financing activities in the year.

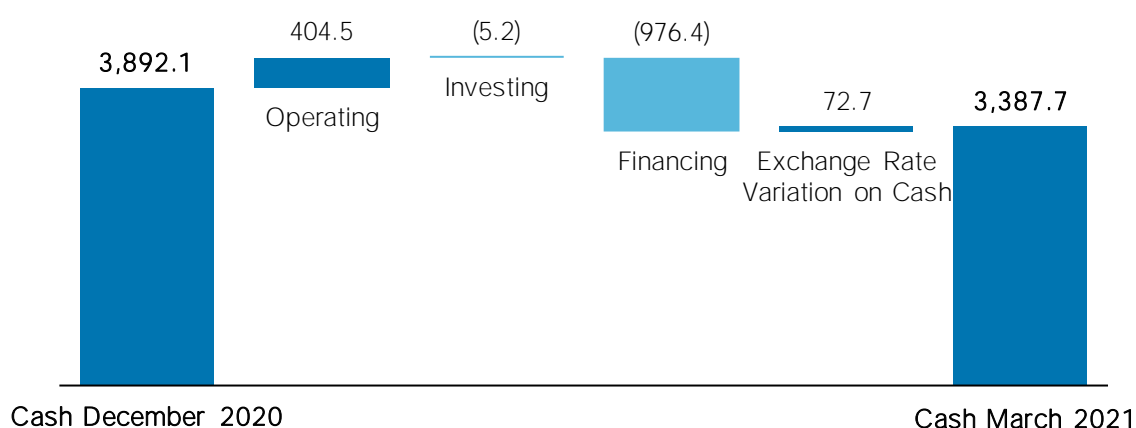


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Chart of figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 1,115.5 million in financial investments with no immediate liquidity, including derivatives (R\$ 1,117.9 million in December 2020).

(2) Capital Expenditure.

## Return on Invested Capital

The Return on Invested Capital (ROIC) in 1Q21 (accumulated in the last 12 months) increased by 7.5 p.p. over 1Q20, reaching 28.2%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and improved margins, more than offset the growth in capital employed, which expanded due to a greater need for working capital, and investments in fixed and intangible assets over the last 12 months.

## Investments (CAPEX)

In 1Q21, we invested R\$ 132.7 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 57% of which are for production units in Brazil and 43% for industrial plants and other facilities abroad.

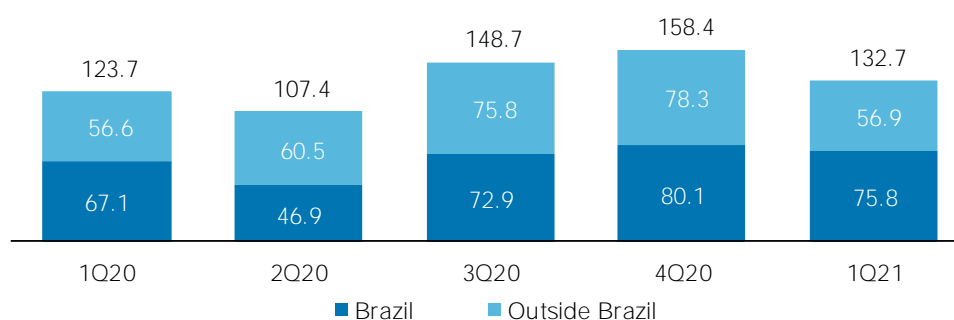


Figure 4 – CAPEX Evolution (figures in R\$ million)

Expenditures on research, development, and innovation activities totaled R\$ 142.4 million, representing 2.8% of net operating revenue in 1Q21.

## Debt and Cash Position

Cash, cash equivalents, and financial investments and derivatives, invested in first-tier banks and denominated in Brazilian currency, are presented in table 5. Likewise, the company demonstrates the total gross financial debt, with details between short and long term, in Brazilian Reais and other currencies, resulting in the company's net cash at the end of the quarter.

Table 5 – Cash and Debt

	March 2021		December 2020		March 2020	
<b>Cash &amp; Financial Instruments</b>	<b>4,503,194</b>		<b>5,010,074</b>		<b>3,401,613</b>	
- Current	4,108,065		4,691,783		2,924,546	
- Long Term	395,129		318,291		477,067	
<b>Debt</b>	<b>1,765,245</b>	<b>100%</b>	<b>1,707,091</b>	<b>100%</b>	<b>2,493,569</b>	<b>100%</b>
- Current	646,367	37%	656,295	38%	888,160	36%
- In Brazilian Reais	8,427		12,289		88,305	
- In other currencies	637,940		644,006		799,855	
- Long Term	1,118,878	63%	1,050,796	62%	1,605,409	64%
- In Brazilian Reais	42,862		48,193		94,409	
- In other currencies	1,076,016		1,002,603		1,511,000	
<b>Net Cash</b>	<b>2,737,949</b>		<b>3,302,983</b>		<b>908,044</b>	

The characteristics of our indebtedness at the end of March were:

- Total Duration of 14.7 months, with duration of 18.8 months in the long term. In December 2020, these figures were 18.5 months and 21.8 months, respectively;
- Weighted average cost of debt denominated in Brazilian Reais is approximately 3.21% p.a. (vs. 2.8% p.a. in December 2020). The post-fixed contracts are indexed mainly to the CDI rate (Interbank Deposit Certificate in Brazil).

## Dividends and Interest on Stockholders' Equity

At a meeting held on March 23, 2021, the Board of Directors decided to declare interest on equity in the total amount of R\$ 71.0 million before withholding income tax, with payment expected in August 11, 2021.

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half year, that is, six proceeds each year, paid semi-annually.



## Results Conference Call

On April 29, 2021 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the via internet webcast, at the following times:

- 11:00 – Brazilian time
- 10:00 – New York (EDT)
- 15:00 – London (BST)

### Connecting phone numbers:

- Dial-in for connections in Brazil: (11) 3181-8565 / (11) 4210-1803
- Dial-in for connections in the United States: +1 412 717-9627
- Toll-free for connections in the United States: +1 844 204-8942
- Code: WEG

### Access to HD Web Phone (web phone connection):

- Conference call in Portuguese: [click here](#)
- Conference call in English: [click here](#)

### Access to Webcasting:

- Slides and original audio in Portuguese: <https://choruscall.com.br/weg/1t21.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/1q21.htm>
- The presentation will also be available on our Investor Relations website ([ir.weg.net](http://ir.weg.net)). Please, call approximately 10 minutes before the conference call time.

## Forward-Looking Statements

The statements contained in this report relating to WEG's business prospects, projections, and results and the Company's growth potential are projected forecasts, based on management's expectations regarding the future of WEG. These expectations are highly dependent on changes in the market, overall national economic performance, sector performance, and international markets, and are subject to change.

# FINANCIAL STATEMENTS

## 1Q 2021

Annex

## Annex I – Consolidated Income Statement – Quarterly

	1Q21		4Q20		1Q20		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Net Operating Revenues</b>	<b>5,076,879</b>	<b>100.0%</b>	<b>4,889,918</b>	<b>100.0%</b>	<b>3,714,436</b>	<b>100.0%</b>	<b>3.8%</b>	<b>36.7%</b>
Cost of Goods Sold	(3,457,140)	-68.1%	(3,293,619)	-67.4%	(2,616,903)	-70.5%	5.0%	32.1%
<b>Gross Profit</b>	<b>1,619,739</b>	<b>31.9%</b>	<b>1,596,299</b>	<b>32.6%</b>	<b>1,097,533</b>	<b>29.5%</b>	<b>1.5%</b>	<b>47.6%</b>
Sales Expenses	(434,281)	-8.6%	(405,746)	-8.3%	(349,093)	-9.4%	7.0%	24.4%
Administrative Expenses	(174,928)	-3.4%	(183,667)	-3.8%	(155,685)	-4.2%	-4.8%	12.4%
Financial Revenues	163,865	3.2%	250,310	5.1%	381,196	10.3%	-34.5%	-57.0%
Financial Expenses	(153,330)	-3.0%	(241,089)	-4.9%	(381,948)	-10.3%	-36.4%	-59.9%
Other Operating Income	16,211	0.3%	30,704	0.6%	7,885	0.2%	-47.2%	105.6%
Other Operating Expenses	(133,559)	-2.6%	(178,405)	-3.6%	(81,703)	-2.2%	-25.1%	63.5%
Equity accounting	-	0.0%	1,253	0.0%	-	0.0%	n.a.	n.m
<b>Earnings Before Taxes</b>	<b>903,717</b>	<b>17.8%</b>	<b>869,659</b>	<b>17.8%</b>	<b>518,185</b>	<b>14.0%</b>	<b>3.9%</b>	<b>74.4%</b>
Income Taxes & Contributions	(41,999)	-0.8%	(181,288)	-3.7%	(52,856)	-1.4%	-76.8%	-20.5%
Deferred Taxes	(82,797)	-1.6%	73,482	1.5%	(11,354)	-0.3%	n.a.	629.2%
Minorities	(14,663)	-0.3%	(19,624)	-0.4%	(13,952)	-0.4%	-25.3%	5.1%
<b>Net Earnings</b>	<b>764,258</b>	<b>15.1%</b>	<b>742,229</b>	<b>15.2%</b>	<b>440,023</b>	<b>11.8%</b>	<b>3.0%</b>	<b>73.7%</b>
<b>EBITDA</b>	<b>1,016,852</b>	<b>20.0%</b>	<b>981,015</b>	<b>20.1%</b>	<b>619,114</b>	<b>16.7%</b>	<b>3.7%</b>	<b>64.2%</b>
<b>Earnings per Share (EPS)</b>	<b>0.36429</b>		<b>0.35383</b>		<b>0.20977</b>		<b>3.0%</b>	<b>73.7%</b>



## Annex II – Consolidated Balance Sheet

	March 2021		December 2020		March 2020		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Current Assets</b>	<b>13,360,912</b>	<b>63%</b>	<b>12,556,143</b>	<b>63%</b>	<b>10,600,706</b>	<b>61%</b>	<b>6%</b>	<b>26%</b>
Cash & cash equivalents	3,872,111	18%	4,484,934	23%	2,899,195	17%	-14%	34%
Receivables	3,835,893	18%	3,417,251	17%	3,241,121	19%	12%	18%
Inventories	4,376,561	21%	3,737,529	19%	3,552,515	20%	17%	23%
Other current assets	1,276,347	6%	916,429	5%	907,875	5%	39%	41%
<b>Noncurrent assets</b>	<b>7,800,288</b>	<b>37%</b>	<b>7,371,753</b>	<b>37%</b>	<b>6,770,627</b>	<b>39%</b>	<b>6%</b>	<b>15%</b>
Long Term Assets	942,114	4%	898,045	5%	925,110	5%	5%	2%
Long term securities	2,451	0%	-	0%	-	0%	n.m	n.m
Deferred taxes	327,360	2%	360,390	2%	188,520	1%	-9%	74%
Other non-current assets	612,303	3%	537,655	3%	736,590	4%	14%	-17%
Investment in Subs	1,421	0%	1,023	0%	35,408	0%	39%	-96%
Property, Plant & Equipment	4,801,270	23%	4,598,730	23%	4,053,935	23%	4%	18%
Intangibles	1,677,092	8%	1,595,475	8%	1,509,989	9%	5%	11%
Right of use	378,391	2%	278,480	1%	246,185	1%	36%	54%
<b>Total Assets</b>	<b>21,161,200</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>17,371,333</b>	<b>100%</b>	<b>6%</b>	<b>22%</b>
<b>Current Liabilities</b>	<b>6,488,389</b>	<b>31%</b>	<b>5,882,044</b>	<b>30%</b>	<b>4,951,231</b>	<b>29%</b>	<b>10%</b>	<b>31%</b>
Social and Labor Liabilities	477,125	2%	366,790	2%	387,619	2%	30%	23%
Suppliers	1,726,734	8%	1,249,368	6%	1,107,393	6%	38%	56%
Fiscal and Tax Liabilities	298,671	1%	240,467	1%	165,839	1%	24%	80%
Short Term Debt	634,679	3%	642,284	3%	865,571	5%	-1%	-27%
Dividends Payable	67,189	0%	136,007	1%	59,862	0%	-51%	12%
Advances from Clients	1,910,482	9%	1,714,656	9%	903,823	5%	11%	111%
Profit Sharring	166,077	1%	335,428	2%	110,892	1%	-50%	50%
Derivatives	11,688	0%	14,011	0%	22,589	0%	-17%	-48%
Leasing	72,103	0%	63,994	0%	60,106	0%	13%	20%
Other Short Term Liabilities	1,123,641	5%	1,119,039	6%	1,267,537	7%	0%	-11%
<b>Long Term Liabilities</b>	<b>2,295,565</b>	<b>11%</b>	<b>2,115,554</b>	<b>11%</b>	<b>2,536,855</b>	<b>15%</b>	<b>9%</b>	<b>-10%</b>
Long Term Debt	1,112,918	5%	1,044,296	5%	1,597,860	9%	7%	-30%
Other Long Term Liabilities	164,474	1%	165,396	1%	124,963	1%	-1%	32%
Leasing	314,732	1%	223,532	1%	183,084	1%	41%	72%
Deferred Taxes	86,289	0%	69,625	0%	87,611	1%	24%	-2%
Contingencies Provisions	617,152	3%	612,705	3%	543,337	3%	1%	14%
<b>Minorities</b>	<b>400,951</b>	<b>2%</b>	<b>367,133</b>	<b>2%</b>	<b>241,137</b>	<b>1%</b>	<b>9%</b>	<b>66%</b>
<b>Stockholders' Equity</b>	<b>11,976,295</b>	<b>57%</b>	<b>11,563,165</b>	<b>58%</b>	<b>9,642,110</b>	<b>56%</b>	<b>4%</b>	<b>24%</b>
<b>Total Liabilities</b>	<b>21,161,200</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>17,371,333</b>	<b>100%</b>	<b>6%</b>	<b>22%</b>



## Annex III – Consolidated Cash Flow Statement

	3 Months 2021	3 Months 2020
<b>Operating Activities</b>		
Net Earnings before Taxes	903,717	518,185
Depreciation and Amortization	123,670	100,176
Provisions	185,326	130,464
Changes in Assets & Liabilities	(808,260)	(223,088)
(Increase) / Reduction of Accounts Receivable	(464,873)	429,620
Increase / (Reduction) of Accounts Payable	484,123	(66,401)
(Increase) / Reduction of Inventories	(485,705)	(354,014)
Income Tax and Social Contribution on Net Earnings	(50,542)	(54,621)
Profit Sharing Paid	(291,263)	(177,672)
<b>Cash Flow from Operating Activities</b>	<b>404,453</b>	<b>525,737</b>
<b>Investment Activities</b>		
Fixed Assets	(116,754)	(112,683)
Intangible Assets	(15,985)	(10,991)
Results of sales of fixed assets	19,374	1,373
Financial investments held to maturity	(2,450)	(72,357)
Rescue of financial investments	110,578	222,518
<b>Cash Flow From Investment Activities</b>	<b>(5,237)</b>	<b>27,860</b>
<b>Financing Activities</b>		
Working Capital Financing	7,291	16,574
Long Term Financing	(114,231)	(522,415)
Interest paid on loans and financing	(14,347)	(4,268)
Treasury Shares	3,866	(5,578)
Dividends & Interest on Stockholders Equity Paid	(858,974)	(491,536)
<b>Cash Flow From Financing Activities</b>	<b>(976,395)</b>	<b>(1,007,223)</b>
<b>Changes in Cash and Equivalents caused by FX Changes</b>	<b>72,781</b>	<b>95,129</b>
<b>Change in Cash Position</b>	<b>(504,398)</b>	<b>(358,497)</b>
Cash & Cash Equivalents		
Beginning of Period	3,892,140	1,946,044
End of Period	3,387,742	1,587,547

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